



Republican Policy Committee

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Clinton Demands More Federal Spending

The Era of Big Government is Over?

"We know big government does not have all the answers. We know there's not a program for every problem. We know, and we have worked to give the American people a smaller, less bureaucratic government in Washington. And we have to give the American people one that lives within its means. The era of big government is over."

President Clinton, State of the Union Address, January 23, 1996 (emphasis added)

Apparently, that promise had the same precarious life expectancy as earlier Clinton pledges — like the one to "present a five-year plan to balance the budget" that he made almost four years ago. Once again, with President Clinton, reality sharply diverges from rhetoric. Despite his own declaration that "the era of big government is over" less than a month and a half ago, President Clinton's first demand for fiscal action this year is for more federal spending.

The Senate with S. 1594, the Omnibus Appropriations bill, is attempting to guarantee that the government continues operations while Congress continues to resolve the impasse arising from the President's refusal to balance the budget. In response, President Clinton is again threatening to shut down the government unless over \$8 billion in federal spending is allowed. In his claim to pay for this deficit spending, his proposal is filled with gimmicks and one-time savings that are over 80 percent increased taxes, fees, and asset sales.

The effect of the President's action in this case, is the same that it has been throughout the deficit elimination debate. Clinton insists on taking dollars from the tax-paying public to give to the tax-spending government.

"... We have to give the American people [a government] that lives within its means."

- ▶ Congress has managed to eke out about \$19 billion in deficit reduction in this fiscal year through the appropriations process — thus keeping deficit elimination on-track.
- ▶ This has occurred despite President Clinton's best efforts to stop it with vetoes, just as he did the deficit-eliminating Balanced Budget Act last year.
- ▶ Now Clinton wants to spend what would amount to almost half of that savings.

- ▶ If he doesn't get his way, he is again threatening to shutdown the government by vetoing the bill that would keep the government running through the current fiscal year.
- ▶ While Clinton claims to have offset his additional deficit spending, his proposal is no more than gimmicks and one-time savings to pay for continued deficit spending.
 - In many cases, such as the sale of the U.S. Enrichment Corporation and the \$4 billion additional assessment on SAIF-insured bank deposits, CBO would not count his offsets.
 - Even if these did "score," they would still constitute no more than one-time savings that would not offset the future deficit spending as the programs continue into the future.
- ▶ Over 80 percent of the offsets he proposes to pay for this increased federal spending would come from the American public.
 - Of his claimed \$8.7 billion in offsets, \$7.1 billion would come from the American public from increased taxes, fees, and asset sales.

Government by Veto, Gridlock by Clinton

- ▶ Clinton has vetoed four appropriations bills for the current fiscal year.
- ▶ Senate Democrats have filibustered the two appropriations that have not reached Clinton.
- ▶ This has forced the government to operate under a series of continuing resolutions.
- ▶ Now the President is again threatening veto, this time of the legislation that would end the shutdown threat, unless more federal spending is allowed.
- ▶ During his presidency, Clinton has vetoed 12 bills; nine of those bills would have saved taxpayer dollars.
- ▶ Eight of those nine vetoes have come in just the last five months, including the veto of the Balanced Budget Act that would have eliminated the deficit completely.

Neither the Era Nor the Error of Big Government is Over

The White House's intended spending increase would amount to almost half of this year's deficit reduction so far. The President's intention has been clear since he signed the largest tax increase in American history (\$258 billion in 1993) and began vetoing deficit elimination efforts five months ago: *Increase government spending and increase payments from American taxpayers.*

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